

VZCZCXR09592
OO RUEHCHI RUEHDT RUEHHM RUEHNH
DE RUEHGO #0348/01 1301101
ZNY CCCCC ZZH
O 091101Z MAY 08
FM AMEMBASSY RANGOON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7540
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBY/AMEMBASSY CANBERRA 1161
RUEHBJ/AMEMBASSY BEIJING 1866
RUEHKA/AMEMBASSY DHAKA 4871
RUEHNE/AMEMBASSY NEW DELHI 4705
RUEHUL/AMEMBASSY SEOUL 8249
RUEHKO/AMEMBASSY TOKYO 5811
RUEHCN/AMCONSUL CHENGDU 1465
RUEHCHI/AMCONSUL CHIANG MAI 1576
RUEHCI/AMCONSUL KOLKATA 0323
RUEAIIA/CIA WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEKJCS/DIA WASHDC
RUEHGV/USMISSION GENEVA 3680
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUCNDT/USMISSION USUN NEW YORK 1570
RUEHBS/USEU BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 03 RANGOON 000348

SIPDIS

STATE FOR EAP/MLS, SES-O, INR/EAP
DEPT PASS TO USDA
DEPT PASS TO USAID/OFDA
PACOM FOR FPA
TREASURY FOR OASIA

E.O. 12958: DECL: 05/09/2018
TAGS: ECON ENRG PGOV EPET SENV BM
SUBJECT: BURMA: SLOWLY POWERING UP RANGOON

REF: RANGOON 345 AND PREVIOUS

RANGOON 00000348 001.2 OF 003

Classified By: Economic Officer Samantha A. Carl-Yoder for Reasons 1.4
(b and d)

11. (SBU) Summary. According to Embassy contacts, Cyclone Nargis damaged approximately 80 percent of Rangoon's electricity facilities, including overhead cables and power substations. The Government continues to work to resume electricity supply throughout the city, and has restored power to six townships in downtown Rangoon and to parts of 12 townships around the city. Many buildings, offices, homes, fuel stations, and hospitals that receive power from underground power cables report that they have city power, although supply is not constant. Myanmar Electrical Power Enterprise (MEPE) and Yangon City Electric Power Supply Board (YESB) staff are working to repair overhead cables, removing trees and replacing lost or damaged power lines. GOB officials will not say how long it will take to resume electricity to supply to all of Rangoon's 33 townships. Embassy contacts predict it could take up to six months to restore power to the entire city. End Summary.

Electricity Generating Methods

12. (SBU) Even before Cyclone Nargis devastated southern Burma, the country suffered from a shortage of electricity, due to inadequate power production and transmission lines. Burma's demand for electricity was estimated at 1,200 megawatts a day in 2007, far more than the 500 megawatts generated during peak production (rainy season). Rangoon, with 33 townships, consumes most of Burma's power supply; demand is currently 533 megawatts a day. While certain

wealthy areas and military-run sections of Rangoon received 24-hour power (or close to it), the majority of the city and the rest of the country received between 4-8 hours/day of interrupted power, depending on the time of year. In Rangoon, many wealthy Burmese, businesses, hotels, and hospitals relied on generators to provide electricity, while others learned to live without.

¶3. (SBU) Currently, the majority of Burma's electricity supply is generated from gas/diesel dual-fired power plants, hydropower plants, and two coal-fired plants. The GOB plans to improve hydropower capabilities over the next twenty years, with the construction of more than 250 hydroelectric projects along various rivers. (Note: much of the electricity generated will be sold to Thailand and China, who are footing the bill for new hydropower dams. End Note). During the dry season (December-May), electricity production decreases dramatically, as hydropower plants have less available water to produce electricity.

¶4. (C) According to U Aye Lwin, Assistant Director of the Yangon City Electricity Supply Board (YESB), the Ministry of Electric Power-2 runs four gas/diesel power plants in Rangoon (Ahlon, Thaketa, Hlawka, and Ywama), which generate most of the city's electricity supply. Before the cyclone, Rangoon received approximately 30 percent of its electricity from the national power grid, which is fueled from hydropower supplies outside of the city. U Aye Lwin told us that the cyclone destroyed several power switches at the substations, preventing the transmission of power from outside the city. Due to low water levels near the hydropower plants, U Aye Lwin predicted that not much power could be sent to Rangoon, even if the substations were functioning properly.

RANGOON 00000348 002.2 OF 003

The Lights Are Still Out

¶5. (C) U Aye Lwin confirmed that the cyclone destroyed 80 percent of Rangoon's electricity facilities; overhead power cables throughout the city were damaged by falling trees and all four substations experienced machine damage. There was not much damage to underground power cables, he noted, and homes and businesses connected to these cables had restored power by May 6. The GOB charged two entities with restoring power in Rangoon: the Myanmar Electrical Power Enterprise (MEPE), a state-owned enterprise under Ministry of Electric Power-2 and YESB. Their first task was to repair the substations, which would enable the Ministry of Electric Power to transmit electricity to places where power lines were not damaged. According to U Aye Lwin, YESB and MEPE staff fixed all four substations on May 6; places including Shwedagon Pagoda, Rangoon General Hospital, No 2 Military Hospital, Children's Hospital, the Rangoon International Airport, and several CNG fuel stations reported restored power on May 6.

¶6. (C) YESB and MEPE continue to work on restoring power to the rest of Rangoon. On May 7, six priority townships in downtown Rangoon (home to the Rangoon ports, Traders' Hotel, and businesses) reported restored electricity. Traders General Manager Sigi Bierbaumer confirmed that the hotel has a 24-hour supply of power and is no longer running its generator. Power is intermittent, he admitted. He expects that as more townships in Rangoon become connected to the power grid, hotels, businesses, and people will be forced to use generators again to produce electricity.

¶7. (C) U Aye Lwin confirmed that as of May 8, approximately 12 townships in Rangoon (Mayangone, Pabean, Kyauktada, Sanchaung, Ahlon, Kyimyindine, Botahtaung, Pazundaung, Latha, Lamadaw, Mingla Taung Nyunt, and Dagon) were back on city power, although he acknowledged that not all areas of each township had access to electricity. Approximately 4,000 staff from YESB and MEPE continue to remove trees and

repair power lines in the remaining townships, but are having some difficulties in areas where locals removed the copper from the power lines. Supplies of electric cable are dwindling, and YESB has requested that the GOB bring in cable from other areas of Burma. U Aye Lwin would not say officially how long it would take to restore power to all of Rangoon, but indicated it could take up to six months to restore power to the YCDC area.

Dependency on Fuel Raises Concerns

18. (C) The four Rangoon substations currently produce electricity using gas and steam turbines, U Aye Lwin told us. Immediately after the storm, the Ahlone and Thaketa substations used diesel to generate electricity, but the Ministry of Electric Power-2 ordered them to only use gas due to the high price of diesel. Currently, the substations produce less than 100 megawatts of electricity, and it takes 14 cubic feet of natural gas to generate one kilowatt hour, he explained. While using natural gas to power the turbines is less efficient, he noted that the Burmese Government has an ample supply of gas from both the Yetagun and Yadana gas fields. (Note: officials from Total and Petronas, which operate the Yadana and Yetagun gas fields, confirm that the Ministry of Oil and Gas continues to receive a constant

RANGOON 00000348 003.2 OF 003

supply of natural gas through the gas pipelines. The cyclone did not affect pipeline operations. End Note.) The Ministry of Electric Power-2 should have no problems producing a continuous supply of electricity and he predicted that once the rainy season starts (in June), Rangoon will be able to receive power from the national grid, alleviating pressure on the four substations.

Comment

19. (C) The regime is slowly restoring power to Rangoon, although it first focused on those areas with working power lines. Much work lies ahead and it will take months before the entire city has access to power, and even then, supply will be sporadic. Many places, including hospitals, hotels, and offices, continue to rely on generators for electricity. However, as supplies of diesel become limited and prices increase, fewer hospitals and businesses will be able to sustain long-term use of generators. While many Burmese are used to being without electricity in their homes for several hours, they have come to realize how much they depend on electricity to survive. The Burmese do not want electricity so they can watch television or listen to the radio, they want electricity so they can have access to water. The longer it takes for the GOB to restore power to Rangoon and the other affected areas of the country, the worse health and sanitation conditions will become.

VILLAROSA